



Office of Statewide Health
Planning and Development



**Steven M. Thompson Physician Corps
Loan Repayment Program (STLRP)**

**Grant Guide
For Fiscal Year 2020-21**

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Section I: STLRP Grant Information

A. Background and Mission

The Office of Statewide Health Planning and Development's (OSHPD) Health Professions Education Foundation (HPEF) is a nonprofit 501(c)(3) foundation that improves access to health care in underserved areas of California by providing scholarships and loan repayments to health professional students and graduates who provide direct patient care in those communities. HPEF and its programs are supported by grants, donations, licensing fees, and special funds.

STLRP was established in 2003 to increase access to healthcare and promote the retention of primary care physicians in medically underserved areas (MUAs) of California. STLRP is funded through a \$25 surcharge for renewal of allopathic physician licenses in California and through the Managed Care Administrative Fines and Penalties Fund. There is an advisory committee of seven members, with two members appointed by the California Medical Association. Physicians and surgeons can receive up to \$105,000 in exchange for providing direct patient care in a MUA for a minimum of three years

B. Eligibility Requirements

1. Provider Eligibility Requirements

To be eligible for a STLRP award, each applicant must:

- Have a valid and unrestricted MD or DO license to practice medicine in California.
- Be free from any other service obligation, including from other HPEF programs.
- Not be in breach of a previous HPEF contract.
- Have outstanding educational debt from government or commercial lending institutions.
- Be employed or have accepted employment as a primary care doctor or as a specialist at a qualifying practice site.
- Be practicing outpatient care, with at least 90 percent of direct patient care hours working in an outpatient setting, not a hospital. **Exception: emergency room physicians providing care to patients not admitted to the hospital.**
- Commit to providing full-time medical services at a qualifying site for a minimum of three years. Full-time is defined as a minimum of 40 hours worked per week with at least 32 of those hours spent providing direct patient care on an outpatient basis.
 - **Exception: For physicians engaged in the practice of obstetrics, full-time is defined as a minimum of 40 hours worked per week, with at least 21 of those hours spent providing direct patient care on an outpatient basis.**
- Complete and submit the application through the [OSHPD Funding Portal](#) by the deadline.

2. Eligible Disciplines and Specialties

STLRP applicants must possess a valid and unrestricted MD or DO license to practice in the following, but not limited to, disciplines and specialties:

Discipline	Specialty
Primary Specialty	<ul style="list-style-type: none"> • Family Medicine • General Internal Medicine • General Pediatrics • Obstetrics/Gynecology
Specialty outside of primary care	<ul style="list-style-type: none"> • Gerontology • Psychiatry • Emergency Medicine • Surgery • Oncology

3. Site Eligibility Requirements

A practice site must be one of the following types:

- A. *Clinic* where at least 50 percent of the patients seen in the clinic are either Medi-Cal or uninsured. The qualifying clinic types are:
- 1) A community clinic that is a primary care clinic, operated by a tax-exempt nonprofit organization or Indian Tribal clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code.
 - 2) A clinic owned and operated by a public hospital and health system.
 - 3) A clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county’s role pursuant to Section 17000 of the Welfare and Institutions Code

OR

- B. *Physician owned and operated* medical practice
- 1) Provides primary care
 - 2) At least 50 percent of the patients seen are either uninsured, insured by Medi-Cal, or are beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty line.

4. Eligible Geographic and Site Designations

A worksite must be in one of the following eligible geographic or site designations:

- Health Professional Shortage Area – Primary Care (HPSA-PC)
- Primary Care Shortage Area (PCSA)
- Tribal Health Clinic
- Federally Qualified Healthcare Center (FQHC)
- Rural Healthcare Center
- County or State Facility

Find out if your worksite is located in an eligible area <https://geo.oshpd.ca.gov/hpsa-search>

C. Qualifying and Non-Qualifying Educational Loans

1. Qualifying Educational Loans

- Qualified Lender: Qualifying commercial lending institutions are those subject to examination and supervision by an agency of the United States, or by the state in which the institutions have their place of business.
- Consolidated educational loans that clearly delineate the original loans and the degrees conferred.
- Loans (government and commercial) obtained from a qualifying lender for undergraduate and graduate health profession degrees.

2. Non-Qualifying Educational Loans

The following types of debt are **not eligible** for loan repayment under STLRP:

- Parents PLUS loans
- Personal Lines of credit
- Loans in default
- Loans repaid in full
- Credit card debt
- Loans not in your name
- Consolidated with mortgage loan
- Consolidated with loans owed by another person

Applicant's educational loans must be in good standing, defined as not being in default. Applicants may have educational loans that are in deferment and/or forbearance. Applicants who are awarded must continue to make payments during their terms of their contract.

D. Award Amounts and Available Funding

1. Available Funding

OSHPD issues this Grant Guide based on the total STLRP funding provided each award cycle. STLRP funding comes from licensure fees from the Medical Board of California and Osteopathic Board of California, Managed Care fines and penalties, and private grants.

2. Award Amount

The maximum award amount for the STLRP is \$105,000.

HPEF may award full, partial, or no funding to an applicant based on the applicant's success in meeting the selection criteria, and the amount of available funds. Applicants will not be awarded more than their total educational debt left on their loan balance. Applicants may receive an award up to 3 times.

E. Initiating an Application

The applicant is responsible for providing all necessary information and ensuring that the information contained in the application is accurate.

Applicants must register and submit all applications through the web-based eApp <http://eapp.oshpd.ca.gov/funding>.

New applicants must first register as a user to access the application materials. Returning applicants must use their email and password to login. Section II: Provider eApp Technical Guide contains information regarding how to register and complete your application.

You may apply for more than one scholarship or loan repayment program at a time. However, if awarded, you can only contract for one service obligation at a time.

F. Service Obligation

Service obligation means a scholarship and or loan repayment service commitment in which the recipient has a contractual obligation to practice their profession in a qualified facility/agency in California for a specified period of time. For applicants who have an existing service obligation, the end date of the obligation must be before the award date of this grant.

Grantees must be working full-time or maintain a full-time practice. This means they must provide medical services for a minimum of 40 hours per week, for a minimum of 45 weeks per year. The 40 hour per week may be compressed into no less than four days per week, with no more than 12 hours of work in any 24-hour period. This does not include hours spent on call. Grantee must provide clinical services at a qualified worksite for at least 32 hours per week.

Exception: For physicians who are continuously engaged in the practice of obstetrics, they must spend at least 21 hours providing clinical services in addition to deliveries and other inpatient coverage.

G. Direct Patient Care

Direct patient care means the provision of healthcare services provided directly to individuals being treated for, or suspected of having, physical illnesses. Direct patient care includes preventative care and the first line supervision of direct patient care.

Direct patient care includes hands on, face-to-face contact with patients for the purpose of diagnosis, treatment and monitoring. Administrative duties do not fall under direct patient care.

H. Worksite Absences

Grantee can take up to seven weeks in a calendar year away from their STLRP approved site for vacation, holidays, continuing professional education, illness, or any other reason. OSHPD will execute a contract amendment to extend the grantee's obligation end date for each day of absence over the allowable seven weeks.

I. Communication Requirements

Grantee must email OSHPD within these specified timeframes for the following reasons:

a. Immediately:

- If you are no longer employed by the approved worksite.

b. 30 calendar days if you:

- Have any change in full-time status, including but not limited to, a decrease in the number of hours providing medical services.
- Change your name, mailing address, phone number, or email address.
- Have a change in worksite. Submit a Certification of Practice Setting (COPS) form through the eApp portal. OSHPD will verify that the worksite is eligible.
- Begin a leave of absence for medical or personal reasons.

J. Evaluation and Scoring Procedures

OSHPD may make multiple awards. Please refer to Attachment A: Evaluation and Scoring Criteria. Final awards include consideration of the following elements:

1. At the time of application closing, OSHPD will check each application for the presence or absence of required information in conformance with the submission requirements.
2. OSHPD may reject applications that contain false or misleading lender statements.
3. OSHPD will use the evaluation tool in Attachment A: Evaluation and Scoring Criteria to score applications. OSHPD intends for this application to support multiple counties in California by providing a distribution of awards throughout the state. OSHPD may give preference to applications seeking to support geographic regions not addressed by other similarly scored applications.

K. Funding Priorities

OSHPD applies the following funding priorities to all eligible and qualified applicants:

1. Applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one of the following criteria:
 - a. Speak a Medi-Cal threshold language.
 - b. Come from economically disadvantage background.
 - c. Have received significant training in cultural and linguistically appropriate service delivery.
 - d. Have three years of experience providing health care services to medically underserved populations or in a medically underserved area.
2. Applicants who have completed a three-year residency in a primary specialty.
3. Applicants who agree to practice in a medically underserved area and serve a medically underserved population.
4. Applicant from rural communities who agree to practice in a physician owned and operated medical practice setting.
5. Applicants who agree to practice in a geriatric care setting and are trained in geriatrics.

L. Award Process

OSHPD will notify selected applicants via the eApp after finalizing all award decisions. The award process time can vary depending upon the number of applications received. OSHPD will use DocuSign to send grant documents to Grantees for review and signatures.

Not all applicants will receive an award. Awards are made on a competitive basis and only those applicants that meet the program eligibility requirements will be considered for an award. The number of applicants awarded each cycle will depend on the number of eligible applications received as well as the availability of funding for the fiscal year. Applicants not selected for an award may apply for the next cycle. HPEF will not reuse or return any documentation previously submitted.

M. Grant Agreement Deliverables

The Grantee shall:

- Submit six Progress Reports through the eApp, during the three-year service obligation. The schedule of those reports is as follows:

Deliverable	Due Date
Progress Report One	November 30, 2021
Progress Report Two	May 31, 2022
Progress Report Three	November 30, 2022
Progress Report Four	May 31, 2023
Progress Report Five	November 30, 2023
Progress Report Six	May 31, 2024

- Submit a COPS form **anytime** there is a change in practice site.
- Request and submit a Payee Data Record form (STD204) anytime there is a change in the Grantee’s residential address.

N. Post Award and Payment Provisions

1. OSHPD expects the Grantee will begin performance of the grant agreement on the start date listed on the grant documents.
2. The State Controller’s Office mails a paper check directly to the Grantee’s address on file. See Attachment B: Sample Grant Agreement, Section 3 for information on the payment schedule.
3. OSHPD cannot provide tax advice to grantees. OSHPD are not tax professionals and tax consequences may vary depending on the grantee. For this reason, grantees should seek professional tax advice.

O. Breach Policy

OSHPD reserves the right to recover monies for the Grantee’s failure to perform the obligations set forth in the grant agreement. Refer to Attachment B: Sample Grant Agreement Section

97931.05, Process and Penalties When Physician Is Unable to Complete Obligation;
 Notification to Program for detailed information

P. Key Dates

The key dates for the program year are as follows:

Event	Date	Time
Application Available	December 1, 2020	3:00 p.m.
Application Submission Deadline	January 8, 2021	3:00 p.m.
Proposed Grant Agreement Start Date	April 30, 2021	N/A

Q. Grant Questions and Answers

You can find answers to most questions in this Grant Guide. Prospective applicants may submit questions to OSHPD at HPEF-Email@oshpd.ca.gov at any time during the application cycle.

R. Technical Assistance Call (TAC)

Applicants are encouraged to attend a scheduled TAC. Below is the schedule of TACs.

TAC #	Date	Time	Meeting Info
1	December 9, 2020	9:30am – 10:15am	Join Microsoft Teams Meeting +1 916-535-0978 United States, Sacramento (Toll) Conference ID: 709 910 065#
2	December 18, 2020	12:00pm – 12:45pm	Join Microsoft Teams Meeting +1 916-535-0978 United States, Sacramento (Toll) Conference ID: 336 188 464#
3	January 6, 2021	4:00pm – 4:45pm	Join Microsoft Teams Meeting +1 916-535-0978 United States, Sacramento (Toll) Conference ID: 618 003 76#

S. Contact Us

For questions related to STLRP and the eApp, please email HPEF-Email@oshpd.ca.gov.

Section II: Provider eApp Technical Guide

A. Accessing the Application System

OSHPD uses the eApp to allow healthcare providers and students to submit applications. This Grant Guide contains information you need to complete and submit an application in the eApp.

To access the eApp, go to <https://eapp.oshpd.ca.gov/funding/>. To ensure proper functionality, use either Internet Explorer or Google Chrome browser.

B. Registration and Login

All applicants must register in the eApp system before beginning an application. To register as a new user, click the “Create Account” button on the home page and follow the instructions. After submitting your email address and creating a password, you will receive an email with an account activation link. Click the link in the email to return to the eApp and complete your user account.

C. Submitting an Application

- By submitting the application, you agree to the grant Terms and Conditions.
- OSHPD will not consider late or incomplete applications. For more detailed information, refer to *Key Dates* in this Grant Guide.
- Once you click the “Submit” button, you cannot go back to revise the application.
- The eApp will email you a confirmation of submission.

D. STLRP Application Components

A submitted application must contain all required information and conform to the Grant Guide format.

The STLRP application has nine sections to complete:

1. General Information
2. Contact Information (**1 contact required**)
3. Professional Information
4. Medical Training
5. Employment History and Verification
6. Personal Statements
7. Educational Debt
 - a. Lender Statements must include the applicant’s name, outstanding balance, account number, and name. Screenshots are acceptable as long as applicants include all required information in a non-editable format.
8. Required Documents
 - a. Acceptable document formats include .jpg, .doc, .docx, and .pdf
9. Application Certification

Each STLRP application page displays instructions. The “Help” button located next to your username in the upper right corner of your browser window is available for additional assistance or explanation.

Attachment A: Evaluation and Scoring Criteria

SCORING CRITERIA		
Core Categories	Guideline	Points
Cultural and Linguistic Competence Professional Goals	<p>Growing up, did you live in an underserved or economically disadvantaged community? If Yes: Please describe your experiences. If No: Please give an example of how you relate to communities/populations you work with that are underserved or disadvantaged.</p> <p>0 points: Applicant answered “no” and does not give an example of how they relate to communities/populations you work with that are underserved or disadvantaged.</p> <p>1 point: Applicant answered “yes” but didn’t adequately describe their experience.</p> <p style="text-align: center;">OR</p> <p>1 point: Applicant answered “no” but demonstrated that they can relate to the population they serve.</p> <p>2 points: Applicant answered “yes” and described their experiences.</p>	2 points max
	<p>Describe the types of education, training, or work experience you have had in a medical Health Professional Shortage Area and give an example of how this background has contributed to your competency working in a medical health professional shortage area.</p> <p>1 point: Each example of education, training, or work experience the applicant provides, up to 2 examples.</p>	2 points max

SCORING CRITERIA		
Core Categories	Guideline	Points
Cultural and Linguistic Competence Professional Goals	<p>Describe and give an example of your cultural and linguistic competency in working with medically underserved population(s).</p> <p>1 point: Applicant describes their cultural and linguistic competency.</p> <p>2 points: If their example displays that they are well suited to meet the needs and demands of patients from medically underserved populations.</p>	2 points max
	<p>Explain your interest and dedication in working with medically underserved populations in medically underserved areas.</p> <p>1 point: Applicant shows interest in working with medically underserved populations but does not provide an explanation</p> <p>2 points: Applicant displays that they are likely to continue working with medically underserved populations beyond the service obligation</p>	2 points max
	<p>Explain your interest and dedication in working with medically underserved populations in populations beyond the service obligation.</p> <p>1 point: Applicant shows interest in working with medically underserved populations but does not provide an explanation</p> <p>2 points: Applicant displays that they are likely to continue working with medically underserved populations beyond the service obligation</p>	2 points max
	<p>Why would you like to participate in this loan repayment program?</p> <p>1 point: Applicant clearly explains interest in participating in the STLRP program.</p>	1 point max

SCORING CRITERIA		
Core Categories	Guideline	Points
Geriatric (Only for those applicants who confirm they work with adults over the age of 65 or adults with disabilities)	<p>Describe this work and provide the number of hours per week you spend serving adults over the age of 65 or adults with disabilities.</p> <p>1 point: Applicant describes working consistently with adults aged 65 or over and/or adults with disabilities</p>	1 point max
	<p>Describe your experience working with a diverse population of Californians over the age of 65. This includes work in cross-cultural settings, working with interpreter services, specific methods of showing respect to elders, and culturally related health benefits that may not be congruent with U.S. dominant culture.</p> <p>1 point: Applicant has experience working in geriatrics.</p> <p>2 points: Applicant provides specific examples of working with geriatrics in cross-cultural settings</p>	2 points max
Extra Points	<p>1 point: Applicant is a military veteran, with proof of honorable discharge.</p> <p>1 point: Applicant has been licensed for 15 years or less.</p> <p>1 point: Physician is certified.</p> <p>1 point: Physician attended medical school where the language of instruction was a Medi-Cal threshold language.</p> <p>1 point: Physician has completed a three-year residency</p> <p>1 point: Physician has completed a three-year residency, and the residency was in a primary care specialty</p>	35 points max (Predetermined)

SCORING CRITERIA		
Core Categories	Guideline	Points
Extra Points	<p>1 point: Physician has completed a medical exchange program during medical school or during post-graduate training wherein services were provided to a patient population that primarily speaks a Medi-Cal threshold language.</p> <p>1 point: Physician has completed a fellowship in a culturally appropriate service delivery</p> <p>1 point: Physician has completed a fellowship in a culturally appropriate service delivery and the fellowship was in a primary care specialty.</p> <p>1 point: For each year of employment history at a practice site located in either a Health Professional Shortage Area (HPSA), a Primary Care Shortage Area, a Federally Qualified Healthcare Center or a Rural Health Center with a HPSA designation; with a maximum of 15 points possible.</p> <p>2 points: Physician uses Medi-Cal threshold language at work.</p> <p>1 point: Additional point for each additional Medi-Cal threshold language used at work, up to 5 points</p> <p>1 point: For each current qualifying practice site.</p> <p>1 point: If the current practice site(s) have a Medical Service Study Area of rural or frontier designation.</p>	35 points max (Predetermined)
Totals		47 points max

Attachment B: Sample Grant Agreement

STEVEN M. THOMPSON PHYSICIAN CORPS
LOAN REPAYMENT PROGRAM
GRANT AGREEMENT NUMBER: **[Grant Number]**
AGREEMENT PURSUANT TO 22 Cal. Code Regs., section 97931.03(c)

WHEREAS,

1. Article 5 of Part 3 of Division 107 of the California Health and Safety Code (commencing with section 128550) established the Steven M. Thompson Physician Corps Loan Repayment Program (Program) within the Health Professions Education Foundation (HPEF) of the Office of Statewide Health Planning and Development (OSHPD) effective July 1, 2006; and
2. The HPEF is operating the Program through regulations codified in Chapter 18 of Division 7, Title 22 California Code of Regulations ("regulations"); and
3. The Participant, **[Applicant Name]**, applied to participate in the Program, by submitting and application to HPEF.

NOW, THEREFORE, the Foundation and Participant enter into the following Agreement.

1. Term of Agreement: This Agreement shall take effect on **[Contract Start Date]** and shall terminate on **[Contract End Date]**. An extension of this Agreement will require an amendment.
2. Participant Agrees:
 - a. To provide medical services at the practice setting listed in Exhibit 1, a copy of which is attached and incorporated herein by reference and to comply with all terms of the Program as specified in Article 5 of Part 3 of Division 107 of the California Health and Safety Code (commencing with section 128550), and in the regulations, which are attached hereto as Exhibits 2 and 3, respectively, and incorporated by reference in their current form or as may be amended.
 - b. To inform OSHPD in writing within 30 calendar days of any change in mailing address, telephone number, Email address and any changes to the lending institution(s).
 - c. To provide documentation satisfactory to OSHPD that the Participant is in compliance with the terms of this Agreement.
 - d. That, if Participant wishes to change his or her status from full-time to part-time, Participant shall file with OSHPD a written request for an exemption pursuant to Health and Safety Code section 128553(e) within 15 working days of any change.
 - e. That this Agreement shall be extended by the corresponding amount of time spent in a leave of absence and/or part-time status.
 - f. To cooperate with any audit undertaken by OSHPD regarding Participant's compliance with the Program.

- g. That payment by OSHPD will be contingent upon providing the documentation required by Paragraph 2. C. of this Agreement.
3. OSHPD Agrees: To make payments directly to Participant in accordance with 22 C.C.R. 97931.03(d), and the total amount payable by OSHPD shall not exceed **\$105,000.00** and shall be payable as follows:
 - a. **[\$Payment #2]** after participant has completed one (1) year of service obligation in compliance with this Agreement which begins on **[Contract Start Date]**; and is to be completed on **[Contract End Date]**.
 - b. **[\$Payment #4]** after participant has completed two (2) consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #4]**.
 - c. **[\$Payment #6]** after participant has completed three (3) consecutive years of service obligation in compliance with this Agreement, which is **[Deliverable Due Date #6]**.
 - d. Upon completion of the service commitment, the participant shall be available to receive and complete the online post program survey.
 - e. OSHPD shall make such payment to participant within 45 calendar days of receipt by OSHPD of verification that the participant has completed the service obligation as agreed in this Agreement.
4. Notices: All notices or other communications required by the Program or permitted hereunder shall be in writing, and shall be deemed properly given if delivered in person or sent by nationally recognized overnight courier, or first-class mail, postage prepaid to the address specified below, or to another address specified in writing by a party:

For HPEF:

[Program Officer Full Name], Program Officer
Health Professions Education Foundation
Steven M. Thompson Physician Corps Loan Repayment Program
2020 West El Camino Avenue, Suite 1129
Sacramento, CA 95833
[Program Officer Primary Email]

For Participant:

[Participant's Full Name]
[Participant's Address]
[Participant's Email Address]

5. Non-Waiver: None of the terms or conditions of this Agreement shall be deemed waived by either the HPEF or Participant unless such waiver is specifically set forth in writing and signed by both parties.
6. No Agent Relationship: This Agreement does not constitute or create a joint venture, partnership, agency relationship, employment relationship, or formal business

organization of any kind between OSHPD and Participant or between OSHPD and any practice settings at which Participant may provide services.

7. **Successors and Assigns:** This Agreement shall be binding upon the successors and assigns of OSHPD. The rights and obligations of OSHPD may, without consent, be transferred to any agency to which by law the responsibilities for the Program are transferred.
8. **Unenforceable Provision:** In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
9. **Time:** Time is of the essence in this Agreement. Participant will submit the required deliverables as specified and adhere to the deadline as specified in this Agreement. Anticipating potential overlaps, conflicts, and scheduling issues, to adhere to the terms of the Agreement, is the sole responsibility of the Participant.
10. **Governing Law:** This Agreement is governed by and shall be interpreted in accordance with the laws of the State of California.
11. **Ownership and Public Records Act:** All reports and the supporting documentation and data collected during the funding period which are embodied in those reports, shall become the property of the State and subject to the Public Records Act.
12. **Participant may apply to extend the term of the Agreement.** OSHPD reserves the right to deny Participant's request to extend the term of the Agreement.
13. **Amendment:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
14. **Disputes:** Participant shall continue with the responsibilities under this Grant Agreement during any dispute. Any dispute arising under this Grant Agreement, shall be resolved as follows:
 - a. The Participant will discuss the problem informally with the HPEF Program Manager. If unresolved, the problem shall be presented, in writing, to the Executive Director, stating the issues in dispute, the basis for the Participant's position, and the remedy sought. Participant shall include copies of any documentary evidence and describe any other evidence that supports its position with its submission to the Executive Director.
 - b. Within ten working days after receipt of the written grievance from the Participant, the Executive Director or their designee shall make a determination and respond in writing to the Participant indicating the decision and reasons for it.

- c. Within ten working days of receipt of the Executive Director's decision, the Participant may appeal to the Chief Deputy Director stating why the Participant does not agree with the Executive Director's decision. The Chief Deputy Director or their designee (who shall not be the Deputy Director or their designee) shall meet with the Participant within 20 working days of receipt of the Participant's appeal. During this meeting, the Participant and OSHPD may present evidence in support of their positions.
 - d. Within ten working days after meeting with the Participant, the Chief Deputy Director or their designee shall respond in writing to the Participant with their decision. The Chief Deputy Director's decision will be final.
15. Taxes: OSHPD does not withhold any tax from the award. As of January 1, 2018, federal law at 26 U.S.C. § 108(f)(4):

"In the case of an individual, gross income shall not include any amount received under section 338B(g) of the Public Health Service Act, under a State program described in section 338I of such Act (enacted by Pub L. 108-357, § 320(a) in 2004), of under any other State loan repayment or loan forgiveness program that is intended to provide for the increased availability of healthcare services in underserved or health professional shortage areas (as determined by such State)."

OSHPD does not provide tax advice and this section may not be construed as tax advice from OSHPD. Participant should see advice from an independent tax consultant regarding the financial implication(s) of any financial incentive award.

By signing below, the Office of Statewide Health Planning and Development (OSHPD) and Participant acknowledge that this Agreement accurately reflects the understating of OSHPD and Participant with respect to the rights and obligation under this Agreement.

[Grantee's Full Name]

Date

For the Office of Statewide Health Planning and Development:

[Procurement and Contract Services Manager]

Date

EXHIBIT 1
PRACTICE SETTING FOR THE
PROVISION OF MEDICAL SERVICES

Participant agrees to provide medical services at the following practice setting:

[Employer Name]
[Employer Address]

[End of Exhibit 1]

EXHIBIT 2

Health and Safety Code Section 128550-128558: Steven M. Thompson Physician Corps Loan Repayment Program

128550.

- (a) There is hereby established within the Health Professions Education Foundation, the California Physician Corps Program.
- (b) Commencing July 1, 2006, both of the following programs shall be transferred from the Medical Board of California to the California Physician Corps Program within the foundation and operated pursuant to this article:
 - (1) The Steven M. Thompson Physician Corps Loan Repayment Program.
 - (2) The Physician Volunteer Program developed by the Medical Board of California.
- (c) The office may enter into an interagency agreement with the Medical Board of California to implement the transfer of programs as provided under subdivision (b).

128551.

- (a) It is the intent of this article that the Health Professions Education Foundation and the office provide the ongoing program management of the two programs identified in subdivision (b) of Section 128550 as a part of the California Physician Corps Program.
- (b) For purposes of subdivision (a), the foundation shall consult with the Medical Board of California, Office of Statewide Planning and Development, and shall establish an consult with an advisory committee of not more than seven members, that shall include two members recommended by the California Medical Association and may include other members of the medical community, including ethnic representatives, medical schools, health advocates representing ethnic communities, primary care clinics, public hospitals, and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with expertise in health care issues.

128552. For purposes of this article, the following definitions shall apply:

- (a) "Account" means the Medically Underserved Account for Physicians established within the Health Professions Education Fund pursuant to this article.
- (b) "Foundation" means the Health Professions Education Foundation.
- (c) "Fund" means the Health Professions Education Fund.
- (d) "Medi-Cal threshold languages" means primary languages spoken by limited-English-proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single Zip Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous Zip Codes.
- (e) "Medically underserved area" means an area defined as a health professional shortage area in Part 5 of Subchapter A of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the California Healthcare Workforce Policy Commission pursuant to Section 128225.
- (f) "Medically underserved population" means the Medi-Cal program, Healthy Families Program, and uninsured populations.
- (g) "Office" means the Office of Statewide Health Planning and Development (OSHPD).
- (h) "Physician Volunteer Program" means the Physician Volunteer Registry Program established by the Medical Board of California.

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- (i) "Practice Setting," for the purposes of this article only means either of the following:
 - (1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206, a clinic owned or operated by a public hospital and health system, or a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code, which is located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.
 - (2) A physician owned and operated medical practice setting that provides primary care located in a medically underserved area and has a minimum of 50 percent of patients who are uninsured, Medi-Cal beneficiaries, or beneficiaries of another publicly funded program that serves patients who earn less than 250 percent of the federal poverty level.
- (j) "Primary specialty" means family practice, internal medicine, pediatrics, or obstetrics/gynecology.
- (k) "Program" means the Steven M. Thompson Physician Corps Loan Repayment Program.
- (l) "Selection committee" means minimum three-member committee of the board, that includes a member that was appointed by the Medical Board of California.

128553.

- (a) Program applicants shall possess a current valid license to practice medicine in this state issued pursuant to Section 2050 of the Business and Professions Code or pursuant to the Osteopathic Act.
- (b) The foundation and the office shall develop guidelines using the criteria specified in subdivision (c) for selection and placement of applicants. The foundation shall interpret the guidelines to apply to both osteopathic and allopathic physicians and surgeons.
- (c) The guidelines shall meet all of the following criteria:
 - (1) Provide priority consideration to applicants that are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations and who meet one or more of the following criteria:
 - (A) Speak a Medi-Cal threshold language.
 - (B) Come from an economically disadvantaged background.
 - (C) Have received significant training in cultural and linguistically appropriate service delivery.
 - (D) Have three years of experience providing health care services to medically underserved populations or in a medically underserved area, as defined in subdivision (e) of Section 128552.
 - (E) Have recently obtained a license to practice medicine.
 - (2) Include a process for determining the needs for physician services identified by the practice setting and for ensuring that the practice setting meets the definition specified in subdivision (h) of Section 128552.
 - (3) Give preference to applicants who have completed a three-year residency in a primary care specialty.
 - (4) Give preference to applicants who agree to practice in a medically underserved area, as defined in subdivision (e) of Section 128552, and who agree to serve in a medically underserved population.

EXHIBIT 2

- (5) Give priority consideration to applicants from rural communities who agree to practice in a physician owned and operated medical practice setting as defined in paragraph (2) of subdivision (i) of Section 128552.
- (6) Include a factor ensuring geographic distribution of placements.
- (7) Provide priority consideration to applicants who agree to practice in a geriatric care setting and are trained in geriatrics, and who can meet the cultural and linguistic needs and demands of a diverse population of older Californians. On and after January 1, 2009, up to 15 percent of the funds collected pursuant to Section 2436.5 of the Business and Professions Code shall be dedicated to loan assistance for physicians and surgeons who agree to practice in geriatric care settings for settings that primarily serve adults over the age of 65 years or adults with disabilities.
- (d) The Foundation may appoint a selection committee that provides policy direction and guidance over the program and that complies with the requirements of subdivision (l) of Section 128552.
- (3) The selection committee may fill up to 20 percent of the available positions with program applicants from specialties outside of the primary care specialties.
- (e) Program participants shall meet all of the following requirements:
 - (1) Shall be working in or have a signed agreement with an eligible practice setting.
 - (2) Shall have full-time status at the practice setting. Full-time status shall be defined by the board and the selection committee may establish exemptions from this requirement on a case-by-case basis.
 - (3) Shall commit to a minimum of three years of service in a medically underserved area. Leaves of absence shall be permitted for serious illness, pregnancy, or other natural causes. The selection committee shall develop the process for determining the maximum permissible length of an absence and the process for reinstatement. Loan repayment shall be deferred until the physician is back to full-time status.
- (f) The office shall adopt a process that applies if a physician is unable to complete his or her three-year obligation.
- (g) The foundation, in consultation with those identified in subdivision (b) of Section 128551, shall develop a process for outreach to potentially eligible applicants.
- (h) The foundation may recommend to the office any other standards of eligibility, placement, and termination appropriate to achieve the aim of providing competent health care services in approved practice settings.

128554.

- (a) Any regulation adopted by the Medical Board of California relating to the administration of the program or the Physician Volunteer Program shall remain in effect and shall be deemed to be a regulation of the office. The office may thereafter amend or repeal any part of those regulations or adopt any other regulations it deems appropriate to implement this article in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with section 11340) part 1 of Division 3 of Title 2 of the Government Code).

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- (b) The adoption, amendment, repeal, or readoption of a regulation authorized by this section is deemed to be necessary for the immediate preservation of the public peace, health and safety, or general welfare, for purposes of Sections 11346.1 and 11349.6 of the Government Code, and the office is hereby exempted from the requirement that it describes specific facts showing the need for immediate action. For purposes of subdivision (e) of Section 11346.1 of the Government Code, the 120-day period, as applicable to the effective period of an emergency regulatory action and submission of specified material to the Office of Administrative Law, is hereby extended to 180 days.

12855.

- (a) The Medically Underserved Account for Physicians is hereby established within the Health Professions Education Fund. The primary purpose of this account is to provide funding for the ongoing operations of the Steven M. Thompson Physician Corps Loan Repayment Program provided for under this article. This account also may be used to provide funding for the Physician Volunteer Program provided for under this article.
- (b) All moneys in the Medically Underserved Account contained within the Contingent Fund of the Medical Board of California shall be transferred to the Medically Underserved Account for Physicians on July 1, 2006.
- (c) Funds in the account shall be used to repay loans as follows per agreements made with physicians:
- (1) Funds paid out for loan repayment may have a funding match from foundations or other private sources.
 - (2) Loan repayments may not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.
 - (3) Loan repayments may not exceed the amount of the educational loans incurred by the physician participant.
- (d) Notwithstanding Section 11105 of the Government Code, effective January 1, 2006, the foundation may seek and receive matching funds from foundations and private sources to be placed in the account. "Matching funds" shall not be construed to be limited to a dollar-for-dollar match of funds.
- (e) Funds placed in the account for purposes of this article, including funds received pursuant to subdivision (d), are, notwithstanding Section 13340 of the Government Code, continuously appropriated for the repayment of loans. This subdivision shall not apply to funds placed in the account pursuant to Section 1341.45.
- (f) The account shall also be used to pay for the cost of administering the program and for any other purpose authorized by this article. The costs for administration of the program may be up to 5 percent of the total state appropriation for the program and shall be subject to review and approval annually through the state budget process. This limitation shall only apply to the state appropriation for the program.
- (g) The office and the foundation shall manage the account established by this section prudently in accordance with the other provisions of law.

EXHIBIT 2

128556. The terms of loan repayment granted under this article shall be as follows:

- (a) After a program participant has completed one year of providing services as a physician in a medically underserved area, up to twenty-five thousand dollars (\$25,000) for loan repayment shall be provided.
- (b) After a program participant has completed two consecutive years of providing services as a physician in a medically underserved area, an additional amount of loan repayment up to thirty-five thousand dollars (\$35,000) shall be provided, for a total loan repayment of up to sixty thousand dollars (\$60,000).
- (c) After a program participant has completed three consecutive years for providing services as a physician in a medically underserved area, an additional amount of loan repayment up to forty-five thousand dollars (\$45,000) shall be provided, for a total loan repayment of up to one hundred five thousand dollars (\$105,000).

128557.

- (a) The foundation shall submit to the Legislature an annual report that includes all of the following:
 - (1) The number of program participants.
 - (2) The name and location of all practice settings with program participants.
 - (3) The amount expended for the program.
 - (4) Information on annual performance reviews by the practice settings and program participants.
 - (5) Status and statistics on the Physician Volunteer Program.
- (b) The foundation shall include the information required in subdivision (a) in its annual report required pursuant to subdivision (g) of Section 128345.

128558. This article shall become operative on July 1, 2006.

[End of Exhibit 2]

EXHIBIT 3

California Code of Regulations

Title 22 Social Security, Division 7 Health Planning and Facility Construction, Chapter 18 Steven M. Thompson Physician Corps Loan Repayment Program

97931.01. Definitions.

For purposes of this article:

- (a) "Code" means Health and Safety Code.
- (b) "Office" means the Office of Statewide Health Planning and Development.
- (c) "Employment" means the contractual work relationship between the practice setting and the physician.
- (d) "Full time status" or "full time practice" means providing medical services for a minimum of 40 hours per week, for a minimum of 45 weeks per year. The 40 hours per week may be compressed into no less than four days per week, with no more than 12 hours of work in any 24-hour period. This does not include hours spent on call. At least 32 hours per week must be spent providing clinical services at the approved practice site(s) during normal office hours, except that, for physicians who are continuously engaged in the practice of obstetrics, at least 21 hours must be spent providing clinical services in addition to deliveries and other inpatient coverage. Absence from the practice cannot exceed 7 weeks in a calendar year except as otherwise required in order to comply with applicable federal and state laws.
- (e) "Lender" means an entity from which an applicant has obtained a loan as defined in section 97931.01 (f).
- (f) "Loan" means an outstanding government or commercial educational loan for expenses incurred for undergraduate education and graduate medical education.
- (g) "Program" means the Steven M. Thompson Physician Corps Loan Repayment Program described in Article 5 of Chapter 5 of Part 3 of Division 107 (commencing with section 128550) of the code.
- (h) "Recently obtained license" means the physician was first issued an allopathic physician's license in any state of the United States or in Canada within 15 years from the date on which the application for loan repayment is filed.

97931.02. Guidelines for Selection of Applicants.

- (a) The program shall give each applicant who meets one of the threshold criteria listed in Section 128553(c) of the code one point for each of those criteria that the applicant meets and one point for each of the following criteria that the applicant meets (except that it shall give an applicant two points for speaking a Medi Cal threshold language and two points for having received significant training in culturally and linguistically appropriate service delivery):
 - (1) Speaks more than one Medi Cal threshold language, as defined in Section 128552(d) of the code (one point for each additional language that is spoken by the population served by the clinic(s) at which the applicant will be providing services).
 - (2) Has experience in a medically related health field in a medically underserved area (one point for each year).
 - (3) Is not participating in any other educational loan repayment program at the time of application.

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- (4) Is board certified in a specialty.
 - (5) Is board certified in a primary care specialty identified in Section 128552(j) of the code.
 - (6) Graduated from medical school where the primary language of instruction was in a Medi Cal threshold language, as defined in Section 128552(d) of the code, that is spoken by the population serviced by the clinic(s) at which the applicant will be providing services.
 - (7) Completed a medical exchange program during medical school or postgraduate training in which the applicant provided services to a population that speaks any Medi Cal threshold language, as defined in Section 128552(d) of the code.
 - (8) Completed a fellowship in culturally appropriate service delivery.
 - (9) Completed a fellowship in one of the primary specialties identified in Section 128552(j) of the code.
 - (10) Will be providing medical services at multiple practice settings, each of which meets the criteria contained in Section 128552(i) of the code.
- (b) The number of points that an applicant receives shall not be the determinative factor in selecting physicians to participate in the program. The program shall consider providing priority consideration to applicants who, in its sole discretion, are best suited to meet the cultural and linguistic needs and demands of patients from medically underserved populations dispersed throughout California.

97931.03. Application Process.

- (a) A physician who desires to participate in the program shall submit an application to the program on a form prescribed by the program that includes all of the following:
- (1) Applicant's name, address, telephone numbers, social security number, date of birth, date on which first medical license was issued and name of issuing body, and, if available, email address.
 - (2) Which of the criteria listed in Section 128553 (c) of the code or in section 97931.02 the applicant meets and why, including dates of and institutions where postgraduate training or fellowships occurred.
 - (3) A statement as to why the physician wants to participate in the program.
 - (4) The name of each lender from which the applicant has obtained an educational loan, together with a current loan statement that contains the lender's name and mailing address, the applicant's name and loan account number, the outstanding balance of the loan, and the date on which the loan statement was issued.
 - (5) Whether the applicant has ever been in default or had a judgment lien against the applicant for any debt, and an explanation for each default for judgment lien.
 - (6) Whether the applicant is willing to sign or has signed a written agreement with the practice setting(s) committing to three years of full-time service in a medically underserved area.
 - (7) The name and address of each practice setting at which services are to be provided under the program.
 - (8) A certification under penalty of perjury as to the contents of the application and any attachments signed and dated by the applicant.
 - (9) A statement authorizing release to the program of information enumerated in the application and any attachments thereto.

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- (10) A certification under penalty of perjury, signed and dated by the practice setting's administrative officer, whose name is printed below his/her signature, that the facility has entered into an agreement with the applicant for a minimum of three years; that the applicant can speak a Medi Cal threshold language; that it will pay the applicant a prevailing wage and not offset any loan repayments by the program against the applicant's salary; and that it is a "practice setting" as defined in Section 128552(i) of the code.
- (b) Application filing periods will be dependent upon available funding and the number of openings in the program. Every application filing period shall be posted on the Office's Web site and shall close not earlier than 30 days after the date on which openings are first posted on the Office's Web site. Notwithstanding section 97931.04(a), an application that is wither not complete or not received by the final filing date shall not be considered but shall be returned to the applicant.
- (c) A participating physician shall sign a written agreement with the Office committing to all terms of the program and acknowledging that loan repayment will be made in accordance with Section 128556. If (1) a participating physician ceases full time practice; or (2) both the practice setting and the physician have agreed to termination of the physician's employment, and the physician has been successful in obtaining subsequent qualifying employment within 3 months after termination of employment, loan repayment will be reduced proportionality by the time spent away from qualifying practice during that contract year.
- (d) If a physician participating in the program receives a loan repayment of less than \$105,000, 24 percent of the loan repayment amount will be made at the end of the first year, 33 percent at the end of the second year, and 43 percent at the end of the third year.

97931.04. Application Processing Times

- (a) Within 15 working days of receipt of an application to participate in the program, the program shall inform the applicant in writing whether the application is complete and accepted for filing or is deficient and what specific information is required.
- (b) Within 120 working days from the date of filing of a completed application, the program shall inform the applicant in writing of its decision on the application.

97931.05. Process and Penalties When Physician Is Unable to Complete Obligation; Notification to Program.

- (a) A physician participating in the program shall notify the program in writing within 15 working days of any change in the physician's full-time status, including but not limited to, a decrease in the number of hours providing medical services, termination, resignation, or leave of absence in excess of the time permitted in section 79731.01(d).
- (b) A physician participating in the program who is unable to complete the required three years of services shall pay to the Office, within 365 calendar days after notification by the program, an amount equal to the total amount of loan repayment paid to the physician by the program. Whenever the program has evidence that the physician is unable to complete the required three years of service, it shall notify the participating physician of the amount to be repaid to the Office and the date by which the physician shall make that repayment.

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- (c) A physician or the physician's representative may petition the program for modification of the amount to be paid or repaid and/or the time for repayment. The petition shall be in writing, accompanied by those documents necessary to establish the basis for the petition, and shall be filed with the program not later than 90 working days after the date of the notification. A petition shall be accepted for filing only if it is based on one or more of the following grounds:
- (1) The physician was terminated without cause.
 - (2) The physician was unable to complete the required three years of services due to factors beyond the physician's control.
 - (3) Both the practice setting, and the physician have agreed to the termination of the physician's employment, and the physician has been unsuccessful in obtaining subsequent qualifying employment within 3 months after termination of employment.
- (d) The program shall review the petition and supporting documents and shall notify the physician in writing of its decision within 60 working days after receipt of the complete petition.
- (e) Failure to repay the amount due within 365 calendar days as required in subsection (a) above shall constitute unprofessional conduct and it not subject to Section 2314 of the Business and Professions Code. It shall also result in the accrual of interest, at prime, on the outstanding balance, reporting of the default to credit agencies, lien(s) on the physician's personal property, and garnishment of the physician's future wages. It may also result in civil damages, including the imposition of attorney fees.

97931.06. Process for Reinstatement into the Program.

- (a) A physician who leaves the program may petition the program for reinstatement into the program. The petition shall be in writing, accompanied by those documents necessary to establish the basis for the petition and shall be filed with the program not later than 365 calendar days after the date of the notification from the program described in section 97931.05(b). The petition shall explain why the factors contributing to the petitioner's inability to complete the prior obligation no longer exist. The petition shall be accompanied by a certification under penalty of perjury, signed and dated by the practice setting's administrative officer, whose name is printed below his/her signature, that the facility has entered into an agreement with the physician for a minimum of three years; that the physician can speak a Medi Cal threshold language; that it will pay the physician a prevailing wage and not offset any loan repayments by the program against the physician's salary and that is a "practice setting" as defined in Section 128552(i) of the code. A petition shall be accepted for filing only if it is based on one or more of the following grounds:
- (1) The physician was terminated without cause.
 - (2) The physician was unable to complete the required three years of services due to factors beyond the physician's control.
 - (3) Both the practice setting, and the physician agreed to the termination of the physician's employment.
- (b) The program shall review the petition and supporting documents and shall notify the petitioner in writing of its decision within 60 working days after receipt of a complete petition. The program shall decide the petition based upon, in its sole discretion, available funds and the

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(c) cultural and linguistic needs, and demands of the underserved populations, and the petitioner's ability to comply with the terms of the program.

[End of Exhibit 3]